



Case Study
South West Yorkshire
Mental Health Trust

You need an advantage...
...You need AGRASSO



The growth of shared financial services in the health sector is based largely on the prospect of greater efficiency and significant cost savings but, for some, the financial benefits are unproven and come with significant compromises.

South West Yorkshire Mental Health Trust (SWYMHT) is one such organisation which opted in and then out of one of the national shared service pilot schemes in favour of independence.

"We found that the 'one size fits all' approach of a large shared service meant too many compromises" said Malcolm Featherstone, SWYMHT's director of finance. "We found the service didn't suit our requirements in a number of key areas and, because of its size, it was unable to respond quickly to our particular priorities and needs. Although we had much in common with our sister NHS organisations, we found that we didn't all do things the same way and I am sceptical of the idea that there is a single 'best practice' we could all follow."

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Specialist

SWYMHT is a specialist Trust formed in 2002 from the mental health services of four other Trusts in the area and found itself operating with three finance systems. In 2003, the Trust was the first of 22 organisations which turned to the newly set up West Yorkshire Shared Services to provide a single, modern finance system.

A year later, two weeks before its financial year end, Featherstone and his team took the radical decision to cancel the shared service contract and to select and implement its own new system, going live by early May.

"Put like that, you could see why some people questioned our sanity" agreed Featherstone "but we weren't able to deliver the service we wanted to our budget managers, morale was at rock bottom and we could see no prospect of things improving."

Cherrine Hawkins, assistant director of finance at SWYMHT and the AGRESSO implementation project manager, added: "As a result, the finance team breathed a huge and collective sigh of relief rather than horror when we announced we would be implementing

our own system from scratch in just eight weeks."

Because time was short, SWYMHT took advantage of the very thorough evaluation that Northamptonshire Healthcare NHS Trust had carried out at the end of 2003 of the finance systems on offer. From a final shortlist of three, Agresso, Cedar and Oracle, Northamptonshire had unanimously selected AGRESSO Business World.

Featherstone admitted: "As far as we were concerned, Agresso was effectively on a shortlist of one. We wanted a SQL server based product because of the in-house skills we had and, of those available, Agresso was by far the strongest contender because of its functionality, reporting tools, robustness and the organisational match."

Design

SWYMHT then embarked on a rapid design and build project, both of their work processes and the system itself. Functionality was assessed, options chosen, workflows defined and the system configured, tested and taken live six weeks later.



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Hawkins said: “We knew it was ambitious but we stayed focused. We had good support from Agresso and enough senior level SWYMHT input at the right times to make fast but informed decisions and then follow them through.”

Flexibility was a key issue both during implementation and of the system itself. Featherstone attributes the shared service’s problems to putting 22 organisations with widely differing needs onto one system which, inevitably, meant flexibility was sacrificed: “With AGRESSO, we didn’t have to make any major compromises.

It does what we want it to do and we’ll be able to revisit and revise how it’s set up as we gain more knowledge of the system’s capabilities.”

Control was another key issue. Questions over the timeliness and accuracy of the information held in the shared service, combined with the Trust’s restricted access to its own data, had created significant problems. Hawkins said: “Having had real frustrations because we didn’t have control, we wanted a system we could comfortably set up, run, maintain and adapt in-house without any specialist skills.”

The Trust met all the milestones it had set itself and went live on AGRESSO on time, to plan and on budget. General ledger and accounts payable were live in the second week of May with accounts receivable following in June. The next phase will see purchase order processing and e-procurement introduced.

Positive

According to SWYMHT, reaction to the introduction of AGRESSO has been extremely positive. Users have found it a much more intuitive system which is easy to navigate around. It also had the unexpected bonus of rebuilding morale within the department. Hawkins reported: “Everybody pulled together throughout the implementation and now in sharing knowledge from using the system. The goodwill has been tremendous.”

It is still very early days for the Trust and, currently, AGRESSO is not being used outside finance but there are plans to provide training and support for those budget holders who want access to the system to carry out their own enquiries, analyses and reports.

Although a medium sized Trust (SWYMHT employs 2600 people and serves 1 million people), it does have a large number of budget holders, processes a lot of low value transactions and produces a high volume of reports. As a consequence of that, and because of the difficulty in extracting information from the shared service, SWYMHT has set up AGRESSO to allow it to make full use of the system’s very powerful enquiry and reporting tools.



South West Yorkshire Mental Health Trust technical information

- › Server Operating System = Windows
- › Server architectures used to host RDBMS = Windows
- › RDBMS = SQL Server
- › Client Operating System environments = Windows XP
- › Network operating systems = Windows 2000 and Windows 2004 using ADS for user control security and TCP/IP for network protocols



Hawkins said: "It was a deliberate choice to hold all transactional detail at the lowest level so that we can query anything. We work on the principle that if you have the data, you can access it. We want to be in a position to improve our reporting and carry out much more strategic analysis quickly and easily."

The Trust always produced its own management accounts from information provided by the shared service but believes it can now do so more quickly and with greater faith that they are based on accurate data rather than a 'best guess'.

e-procurement

The next stage will be to redesign the Trust's rather informal, paper-based purchasing processes and introduce electronic requisitioning, a move which will involve many more people within SWYMHT using AGRESSO and which will require a major culture change.

Hawkins explained: "Historically we haven't had a supplies department, so

purchasing was carried out on a very ad hoc basis with a heavy reliance on finance to do the work. In future, all the ordering, approvals and invoicing will be handled electronically from within AGRESSO which will tighten control and improve budget management."

SWYMHT is aiming to work with a number of electronic catalogues and use some of the more established marketplaces and expects, in time, to achieve cost savings through purchasing from approved suppliers who offer the best discounts.

The introduction of purchase order processing will also enable the Trust to carry out accurate commitment accounting and improve its performance under the public sector payment target. Under the shared service, SWYMHT paid less than 45% of invoices within 30 days, against a government target of 95%, simply because it often took more than a month for invoices to be scanned and

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Reasons for change

- › Too many compromises were made to fit the system
- › Unable to respond to our particular priorities and needs
- › Unable to deliver the service we wanted to our budget holders
- › Low morale within the department

Benefits

- › Intuitive to use
- › Easy to navigate around
- › Produce management accounts quicker
- › Rebuilt morale within the department
- › Tighter control
- › Improved budget management

forwarded to the budget holder to authorise payment.

Ongoing

The SWYMHT team believes that a system implementation is never complete. As well as introducing new modules, AGRESSO will be rolled out to a wider user base. The Trust will hold refresher courses to bolster initial training and encourage users to work together to share best practice and get the most out of their system.

Business

If cost savings are the primary rationale for moving to shared financial services, then a convincing business case had to be put forward to opt out. For SWYMHT, Featherstone argued that as long as having their own system cost no more to implement and maintain, then the benefits from a much improved finance service which delivered

accurate, real-time, quality management information, would far outweigh any savings from cheaper transactional processing.

He summed up: “SWYMHT’s philosophy is to provide a good service and to do that it is crucial to have a system which helps you manage the organisation’s finances well. If it doesn’t, no amount of cost savings will compensate. We just wanted to be back in the driving seat and AGRESSO was the best vehicle to put us there.”

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